



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
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DAVID E. JANSSEN
Chief Administrative Officer

June 29, 2004

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**JOINT TAX TRANSFER RESOLUTION BETWEEN THE COUNTY OF LOS ANGELES
AND THE CITY OF AZUSA APPROVING AND ACCEPTING THE NEGOTIATED
EXCHANGE OF PROPERTY TAX REVENUE AS A RESULT OF
THE PROPOSED ANNEXATION OF UNINCORPORATED
LOS ANGELES COUNTY TERRITORY TO THE CITY OF AZUSA**

**CITY OF AZUSA ANNEXATION NO. 2003-05 (MONROVIA NURSERY)
(SUPERVISORIAL DISTRICTS 1 AND 5) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the Joint Resolution between your Board and the City Council of the City of Azusa (City) based on the negotiated exchange of property tax revenue, as a result of the proposed annexation of approximately 411 acres in unincorporated Los Angeles County to the City's boundaries.
2. Authorize the Chief Administrative Officer to provide the Local Agency Formation Commission (LAFCO) with the County of Los Angeles and the Consolidated Fire Protection District's (CFPD) written consent to waive the protest proceedings for the proposed annexation, pursuant to Section 56663(c) of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 7, 2004, the City Council of the City of Azusa adopted the attached Joint Resolution based on the negotiated exchange of property tax revenue resulting from the proposed annexation of unincorporated Los Angeles County territory into the City's legal

Board of Supervisors
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First District

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Second District

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Fifth District

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boundaries. In order for LAFCO to proceed with the required hearings on the proposed annexation, your Board, as the governing body of the County, must also adopt the attached Joint Resolution, which transfers base revenue and a portion of the annual property tax increment ratio from the County to the City and adjusts the County and the City's share of the annual property tax increment ratio accordingly.

The purpose of the protest proceedings waiver is to expedite the LAFCO process to consider the annexation for final approval. If all of the affected public agencies and the landowners involved in the process consent to the waiver, the need for a LAFCO protest hearing is eliminated and LAFCO may order the annexation at the first hearing at which the proposal is considered.

FISCAL IMPACT/FINANCING

The adopted resolution will transfer Ten Thousand Twenty-five Dollars (\$10,025) in base property tax revenue from the County to the City and will allocate a share (.111490878) of the annual property tax increment attributable to the City of Azusa Annexation No. 2003-05 in each of the six impacted tax rate areas from the County to the City commencing in Fiscal Year 2005-06 as shown in the attached worksheets (Attachment I).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Part 3, Division 3, Title 5 of the California Government Code, commencing with Section 56000, the City filed its application with LAFCO on June 20, 2003, to initiate proceedings for annexation of approximately 411 acres of unincorporated Los Angeles County territory. The proposed annexation area is located within both the First and Fifth Supervisorial Districts.

Section 99 of the Revenue and Taxation (R&T) Code requires that prior to the effective date of any jurisdictional change; the governing bodies of all agencies whose service area or service responsibilities will be altered by such change must negotiate a

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reallocation of property tax revenue between the affected agencies, and approve and accept such reallocation by resolution. The City has adopted the Joint Resolution, as required by Section 99 of the R&T Code.

The majority of the proposed annexation area is owned by the Monrovia Nursery Company and is generally located northeast of the existing City of Azusa boundary. The area owned by the Monrovia Nursery Company constitutes 17 of the 23 affected parcels. The Monrovia Nursery Company currently operates a commercial wholesale nursery and the company headquarters on the site. Additional landowners include the Azusa Valley Water Company, Metropolitan Transportation Authority (MTA) (including right-of-way for the AT&SF Railway), and CFPD (Fire Station 97).

The Specific Plan for the development of the proposed annexation area and 107 acres of land located within the current City boundary was approved by Azusa voters on May 4, 2004. The Plan includes the development of 1,250 single-family homes and 50,000 square feet of commercial uses. The City's annexation proposal will allow the entire development to be located within the City's jurisdiction.

Pursuant to Government Code Section 56663(c), LAFCO may waive protest proceedings if: (1) the proposed territory is uninhabited, (2) the affected agencies that will gain or lose territory as a result of the change of organization or reorganization have consented in writing to a waiver of protest proceedings, and (3) the affected owners of land have also agreed to the waiver. Pursuant to Government Code Section 56046, the annexation area is deemed uninhabited. The City and the landowners, Monrovia Nursery Company and Azusa Valley Water Company, have provided LAFCO with consent to waive the protest proceedings. The MTA is also expected to provide LAFCO with consent to waive the protest proceedings. Upon your Board's authorization, the Chief Administrative Officer will provide LAFCO with a similar waiver on behalf of the County of Los Angeles (an affected agency) and the CFPD (a landowner).

The Joint Resolution has been approved as to form by County Counsel.

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CONCLUSION

At such time as the recommendation is approved by your Board, please return one copy of this letter and five signed originals of the Resolution to LAFCO, three copies of this letter and one signed original of the Resolution to the Chief Administrative Office, Office of Unincorporated Area Services and Special Projects, and one copy of the letter and Resolution to the Auditor-Controller, Tax Division.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:MKZ
DD:BC:os

Attachment

c: Auditor-Controller
County Counsel
Fire Chief

City of Azusa Annexation No. 2003-05 (Monrovia Nursery)
Annual Tax Increment (ATI) Current and Final Allocations

ATTACHMENT I

TRA 2060	Current ATI Allocations	Transfers due to Annexations or Detachments	Final ATI Allocations
1.05 LOS ANGELES COUNTY GENERAL	0.320117270	-0.082068564	0.238048706
1.2 L.A. COUNTY ACCUM CAP OUTLAY	0.000114885		0.000114885
3.01 L A COUNTY LIBRARY	0.023547793	-0.023547793	0.000000000
5.05 ROAD DIST # 1	0.005874521	-0.005874521	0.000000000
7.3 CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.176457718		0.176457718
7.31 L A C FIRE-FFW	0.007351493		0.007351493
30.1 L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.001752200		0.001752200
30.7 LA CO FLOOD CONTROL MAINT	0.009915502		0.009915502
66.85 CO SANIT DIST NO 22 OPERATING	0.013831649		0.013831649
112.01 CITY-AZUSA TD #1	0.000000000	0.111490878	0.111490878
365.1 THREE VY MWD GLENDORA AREA	0.005950381		0.005950381
400 EDUCATIONAL REV AUGMENTATION FD	0.067131197		0.067131197
400.01 EDUCATIONAL AUG FD IMPOUND	0.131877650		0.131877650
400.15 COUNTY SCHOOL SERVICES	0.001423262		0.001423262
400.21 CHILDREN'S INSTIL TUITION FUND	0.002824570		0.002824570
791.04 CITRUS COMMUNITY COLLEGE DIST	0.024981715		0.024981715
791.2 CHILDREN'S CTR FUND CITRUS C C	0.000651627		0.000651627
818.03 AZUSA UNIFIED SCHOOL DISTRICT	0.196676447		0.196676447
818.06 CO.SCH.SERV.FD.- AZUSA	0.008525666		0.008525666
818.07 DEV.CTR.HDCPD.MINOR-AZUSA	0.000994454		0.000994454
TOTAL RATIO:	1.000000000	0.000000000	1.000000000

TRA 2067	Current ATI Allocations	Transfers due to Annexations or Detachments	Final ATI Allocations
1.05 LOS ANGELES COUNTY GENERAL	0.328803455	-0.081456845	0.247346610
1.2 L.A. COUNTY ACCUM CAP OUTLAY	0.000116723		0.000116723
3.01 L A COUNTY LIBRARY	0.024057399	-0.024057399	0.000000000
5.05 ROAD DIST # 1	0.005976634	-0.005976634	0.000000000
7.3 CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.179518411		0.179518411
7.31 L A C FIRE-FFW	0.007550783		0.007550783
30.1 L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.001799334		0.001799334
30.7 LA CO FLOOD CONTROL MAINT	0.010180714		0.010180714
112.01 CITY-AZUSA TD #1	0.000000000	0.111490878	0.111490878
365.1 THREE VY MWD GLENDORA AREA	0.006060953		0.006060953
400 EDUCATIONAL REV AUGMENTATION FD	0.063884806		0.063884806
400.01 EDUCATIONAL AUG FD IMPOUND	0.131877650		0.131877650
400.15 COUNTY SCHOOL SERVICES	0.001448226		0.001448226
400.21 CHILDREN'S INSTIL TUITION FUND	0.002873756		0.002873756
791.04 CITRUS COMMUNITY COLLEGE DIST	0.025415284		0.025415284
791.2 CHILDREN'S CTR FUND CITRUS C C	0.000662509		0.000662509
818.03 AZUSA UNIFIED SCHOOL DISTRICT	0.200088623		0.200088623
818.06 CO.SCH.SERV.FD.- AZUSA	0.008673144		0.008673144
818.07 DEV.CTR.HDCPD.MINOR-AZUSA	0.001011596		0.001011596
TOTAL RATIO:	1.000000000	0.000000000	1.000000000

City of Azusa Annexation No. 2003-05 (Monrovia Nursery)
Annual Tax Increment (ATI) Current and Final Allocations

ATTACHMENT I

TRA 11997	Current ATI Allocations	Transfers due to Annexations or Detachments	Final ATI Allocations
1.05 LOS ANGELES COUNTY GENERAL	0.328803455	-0.081456845	0.247346610
1.2 L.A. COUNTY ACCUM CAP OUTLAY	0.000116723		0.000116723
3.01 L A COUNTY LIBRARY	0.024057399	-0.024057399	0.000000000
5.25 ROAD DIST # 5	0.005976634	-0.005976634	0.000000000
7.3 CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.179518411		0.179518411
7.31 L A C FIRE-FFW	0.007550783		0.007550783
30.1 L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.001799334		0.001799334
30.7 LA CO FLOOD CONTROL MAINT	0.010180714		0.010180714
112.01 CITY-AZUSA TD #1	0.000000000	0.111490878	0.111490878
365.1 THREE VY MWD GLENDORA AREA	0.006060953		0.006060953
400 EDUCATIONAL REV AUGMENTATION FD	0.063884806		0.063884806
400.01 EDUCATIONAL AUG FD IMPOUND	0.131877650		0.131877650
400.15 COUNTY SCHOOL SERVICES	0.001448226		0.001448226
400.21 CHILDREN'S INSTIL TUITION FUND	0.002873756		0.002873756
791.04 CITRUS COMMUNITY COLLEGE DIST	0.025415284		0.025415284
791.2 CHILDREN'S CTR FUND CITRUS C C	0.000662509		0.000662509
818.03 AZUSA UNIFIED SCHOOL DISTRICT	0.200088623		0.200088623
818.06 CO.SCH.SERV.FD.- AZUSA	0.008673144		0.008673144
818.07 DEV.CTR.HDCPD.MINOR-AZUSA	0.001011596		0.001011596
TOTAL RATIO:	1.000000000	0.000000000	1.000000000

TRA 2064	Current ATI Allocations	Transfers due to Annexations or Detachments	Final ATI Allocations
1.05 LOS ANGELES COUNTY GENERAL	0.322878040	-0.081873613	0.241004427
1.2 L.A. COUNTY ACCUM CAP OUTLAY	0.000115387		0.000115387
3.01 L A COUNTY LIBRARY	0.023710279	-0.023710279	0.000000000
5.05 ROAD DIST # 1	0.005906986	-0.005906986	0.000000000
7.3 CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.177435369		0.177435369
7.31 L A C FIRE-FFW	0.007414834		0.007414834
30.1 L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.001766955		0.001766955
30.7 LA CO FLOOD CONTROL MAINT	0.009999942		0.009999942
66.85 CO SANIT DIST NO 22 OPERATING	0.013926316		0.013926316
112.01 CITY-AZUSA TD #1	0.000000000	0.111490878	0.111490878
368.05 UPPER SAN GAB. VY. MUN. WATER	0.000580681		0.000580681
400 EDUCATIONAL REV AUGMENTATION FD	0.067001807		0.067001807
400.01 EDUCATIONAL AUG FD IMPOUND	0.131877650		0.131877650
400.15 COUNTY SCHOOL SERVICES	0.001431135		0.001431135
400.21 CHILDREN'S INSTIL TUITION FUND	0.002840398		0.002840398
791.04 CITRUS COMMUNITY COLLEGE DIST	0.025120112		0.025120112
791.2 CHILDREN'S CTR FUND CITRUS C C	0.000655255		0.000655255
818.03 AZUSA UNIFIED SCHOOL DISTRICT	0.197766083		0.197766083
818.06 CO.SCH.SERV.FD.- AZUSA	0.008572929		0.008572929
818.07 DEV.CTR.HDCPD.MINOR-AZUSA	0.000999842		0.000999842
TOTAL RATIO:	1.000000000	0.000000000	1.000000000

City of Azusa Annexation No. 2003-05 (Monrovia Nursery)
Annual Tax Increment (ATI) Current and Final Allocations

ATTACHMENT I

TRA 2075	Current ATI Allocations	Transfers due to Annexations or Detachments	Final ATI Allocations
1.05 LOS ANGELES COUNTY GENERAL	0.341150822	-0.080577083	0.260573739
1.2 L.A. COUNTY ACCUM CAP OUTLAY	0.000119827		0.000119827
3.01 L A COUNTY LIBRARY	0.024789281	-0.024789281	0.000000000
5.05 ROAD DIST # 1	0.006124514	-0.006124514	0.000000000
7.3 CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.183948448		0.183948448
7.31 L A C FIRE-FFW	0.007834073		0.007834073
112.01 CITY-AZUSA TD #1	0.000000000	0.111490878	0.111490878
368.05 UPPER SAN GAB. VY. MUN. WATER	0.000616171		0.000616171
400 EDUCATIONAL REV AUGMENTATION FD	0.060893431		0.060893431
400.01 EDUCATIONAL AUG FD IMPOUND	0.128424483		0.128424483
400.15 COUNTY SCHOOL SERVICES	0.001477872		0.001477872
400.21 CHILDREN'S INSTIL TUITION FUND	0.002942430		0.002942430
791.04 CITRUS COMMUNITY COLLEGE DIST	0.026042499		0.026042499
791.2 CHILDREN'S CTR FUND CITRUS C C	0.000679022		0.000679022
818.03 AZUSA UNIFIED SCHOOL DISTRICT	0.205024764		0.205024764
818.06 CO.SCH.SERV.FD.- AZUSA	0.008893860		0.008893860
818.07 DEV.CTR.HDCPD.MINOR-AZUSA	0.001038503		0.001038503
TOTAL RATIO:	1.000000000	0.000000000	1.000000000

TRA 12031	Current ATI Allocations	Transfers due to Annexations or Detachments	Final ATI Allocations
1.05 LOS ANGELES COUNTY GENERAL	0.322878040	-0.081873613	0.241004427
1.2 L.A. COUNTY ACCUM CAP OUTLAY	0.000115387		0.000115387
3.01 L A COUNTY LIBRARY	0.023710279	-0.023710279	0.000000000
5.25 ROAD DIST # 5	0.005906986	-0.005906986	0.000000000
7.3 CONSOL. FIRE PRO.DIST.OF L.A.CO.	0.177435369		0.177435369
7.31 L A C FIRE-FFW	0.007414834		0.007414834
30.1 L.A.CO.FL.CON.DR.IMP.DIST.MAINT.	0.001766955		0.001766955
30.7 LA CO FLOOD CONTROL MAINT	0.009999942		0.009999942
66.85 CO SANIT DIST NO 22 OPERATING	0.013926316		0.013926316
112.01 CITY-AZUSA TD #1	0.000000000	0.111490878	0.111490878
368.05 UPPER SAN GAB. VY. MUN. WATER	0.000580681		0.000580681
400 EDUCATIONAL REV AUGMENTATION FD	0.067001807		0.067001807
400.01 EDUCATIONAL AUG FD IMPOUND	0.131877650		0.131877650
400.15 COUNTY SCHOOL SERVICES	0.001431135		0.001431135
400.21 CHILDREN'S INSTIL TUITION FUND	0.002840398		0.002840398
791.04 CITRUS COMMUNITY COLLEGE DIST	0.025120112		0.025120112
791.2 CHILDREN'S CTR FUND CITRUS C C	0.000655255		0.000655255
818.03 AZUSA UNIFIED SCHOOL DISTRICT	0.197766083		0.197766083
818.06 CO.SCH.SERV.FD.- AZUSA	0.008572929		0.008572929
818.07 DEV.CTR.HDCPD.MINOR-AZUSA	0.000999842		0.000999842
TOTAL RATIO:	1.000000000	0.000000000	1.000000000

RESOLUTION NO. 04-C40

**JOINT RESOLUTION OF
THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
AND THE CITY COUNCIL OF THE CITY OF AZUSA
APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY
TAX REVENUE RESULTING FROM “ANNEXATION NO. 2003-05” TO THE CITY OF
AZUSA AND DETACHMENT FROM LOS ANGELES COUNTY
ROAD DISTRICTS NO. 1 AND NO. 5
(MONROVIA NURSERY ANNEXATION)**

WHEREAS, pursuant to Section 99 of the Revenue and Taxation Code, for specified jurisdictional changes, the governing bodies of affected agencies shall negotiate and determine the amount of property tax revenue to be exchanged between the affected agencies; and

WHEREAS, the Board of Supervisors of the County of Los Angeles, as governing body of the County, the Los Angeles County Consolidated Fire Protection District, and County Road Districts No. 1 and No. 5 and the City Council of the City of Azusa have determined that the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation of unincorporated territory to the City of Azusa identified as “Annexation 2003-05” and detachment from County Road Districts No. 1 and No. 5, is as set forth below.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The area within “Annexation No. 2003-05” is currently within the jurisdiction of the Consolidated Fire Protection District and shall remain so and the Consolidated Fire Protection District shall continue to receive its share of the property tax revenues.

2. The negotiated exchange of property tax revenues between the County of Los Angeles and the City of Azusa in Tax Rate Areas 02060, 02064, 02067, 02075, 11997, and 12031, resulting from “Annexation No. 2003-05,” is approved and accepted.

3. For fiscal years commencing on or after July 1, 2005, or the July 1 after the effective date of this jurisdictional change, whichever is later, Ten-Thousand twenty-five dollars (\$10,025) in base property tax revenue shall be transferred from the County of Los Angeles to the City of Azusa. In addition, for fiscal years commencing on or after July 1, 2005, or the July 1 after the effective date of this jurisdictional change, whichever is later, 0.111490878 percent of the annual property tax increment in each of the affected tax rate areas attributable to "Annexation No. 2003-05," shall be transferred from the County of Los Angeles to the City of Azusa, and the County of Los Angeles share of the annual property tax increment in each of the affected tax rate areas shall be reduced accordingly.

4. For fiscal years commencing on or after July 1, 2005 or the July 1 after the effective date of this jurisdictional change, whichever is later, all property tax revenue received by the Los Angeles County Public Library in each of the affected tax rate areas attributable to "Annexation No. 2003-05," shall be transferred to the County of Los Angeles.

5. For fiscal years commencing on or after July 1, 2005 or the July 1 after the effective date of this jurisdictional change, whichever is later, all property tax revenue received by the County Road Districts No. 1 and No. 5 in each of the affected tax rate areas and attributable to "Annexation No. 2003-05," shall be transferred to the County of Los Angeles.

6. For fiscal years commencing on or after July 1, 2005 or the July 1 after the effective date of this jurisdictional change, whichever is later, the County of Los Angeles General Fund share of the annual property tax increment in each of the affected tax rate areas attributable to "Annexation No. 2003-05," shall be adjusted to account for the full 1 percent of ad valorem property tax after implementing the adjustments specified in paragraphs 3 through 5.

7. If at any time after the approval of this resolution, the City of Azusa exercises its option to terminate its contract with the Consolidated Fire Protection District such that the area within "Annexation No. 2003-05" is detached from that entity, an amount of the annual property tax increment received by the Consolidated Fire Protection District from properties within the subject area shall be transferred to the City of Azusa in order to increase the City of Azusa's share of the annual property tax increment in each of the affected tax rate areas from 0.111490878 percent to 0.167598742 percent. The balance of the annual property tax increment previously allocated to the Consolidated Fire Protection District shall be transferred to the County of Los Angeles, and the County of Los Angeles share of the annual property tax increment in each of the affected tax rate areas shall be increased accordingly.

8. In the event that all or a portion of the annexation area is included within a redevelopment project pursuant to California Community Redevelopment Law, Health & Safety Code Sections 33000 et seq., the City of Azusa shall not adopt the ordinance approving the redevelopment plan with respect to the annexed area until such time as the Redevelopment Agency of the City of Azusa has diligently and in good faith

complied with all applicable provisions of the California Community Redevelopment Law, including but not limited to, Health & Safety Code Section 33670 or any other relevant provision of the law. Any ordinance approving a redevelopment project which does not comply with this paragraph shall be void and of no effect with regard to the subsequent allocation and distribution of taxes to the Redevelopment Agency.

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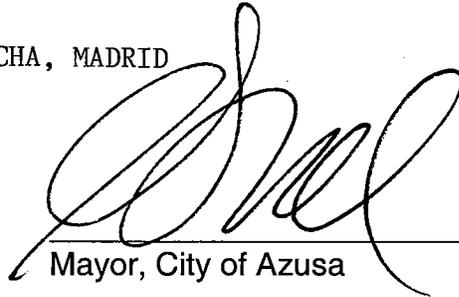
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PASSED, APPROVED AND ADOPTED this 7th day of June, 2004

by the following vote:

AYES: HARDISON, STANFORD, CHAGNON, ROCHA, MADRID

NOES: NONE ABSTAIN: NONE



Mayor, City of Azusa

ATTEST:



City Clerk

The foregoing resolution was on the _____ day of _____, 2004, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS, Executive Officer
Clerk of the Board of Supervisors
of the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

OFFICE OF THE COUNTY COUNSEL



By _____
Thomas J. Faughnan
Senior Deputy County Counsel